

**FOR IMMEDIATE RELEASE**  
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## **KENNEDY STATEMENT ON MINIMUM WAGE VICTORY**

### ***U.S. HOUSE PASSES MINIMUM WAGE INCREASE WITH 315 VOTES, INCLUDING 82 REPUBLICANS***

Washington, D.C. –Today, Senator Edward M. Kennedy released the following statement:

“Today’s vote is a tremendous victory for minimum wage workers. We are one step closer to winning our decade-long fight for fair wages, and giving almost 13 million Americans a long-overdue raise. But today’s vote is also a victory for bipartisanship. Eighty-two House Republicans crossed party lines to support an increase. These leaders recognized the fundamental truth that no one who works hard for a living should have to live in poverty. They put partisan politics aside and voted their conscience. I call on my Republican colleagues in the Senate to do the same. Don’t load up the minimum wage bill with poison pills. Don’t use procedural games to delay it. Don’t give workers a raise with one hand, but take away their rights with the other. Listen to the voice of the American people. It’s long past time to give minimum wage workers a raise.”

## **RAISING THE MINIMUM WAGE IS A MATTER OF FAIRNESS**

Senator Kennedy’s Fair Minimum Wage Act would raise the minimum wage to \$7.25 an hour in three steps:

- \$5.85 60 days after enactment;
- \$6.55 one year later;
- \$7.25 one year after that

The number of Americans in poverty has increased by 5.4 million since President Bush took office. 37 million people live in poverty, including 13 million children. Among full-time, year-round workers, poverty has increased by 50 percent since the late 1970s.

An unacceptably low minimum wage is a key part of the problem.

Minimum wage employees working 40 hours a week, 52 weeks a year earn \$10,700 per year, almost \$6,000 below the federal poverty guidelines of \$16,600 for a family of three. Since then the minimum wage was last raised in 1997, its real value has eroded by 21.3 percent.

Every day the minimum wage is not increased, it continues to lose value, and workers fall farther and farther behind. Minimum wage workers have already lost all of the gains of the 1996-1997 increase.

Today, the real value of the minimum wage is more than \$4.00 below what it was in 1968. To have the purchasing power it had in 1968, the minimum wage would have to be more than \$9.37 an hour today, not \$5.15.

Nearly fifteen million Americans will benefit from a minimum wage increase to \$7.25 an hour – 6.6 million directly, and another 8.3 million indirectly. Fifty-nine percent of these workers are women, and forty percent are people of color.

Eighty percent of those who would benefit are adult workers, not teenagers seeking pocket change. Fifty-four percent of workers who will benefit are full-time employees, and more than a third of these adults are sole breadwinners for their families.

Increasing the minimum wage will help more than 7.3 million children whose parents would receive a raise.

Raising the minimum wage to \$7.25 an hour will mean an additional \$4,400 a year to help minimum wage earners support their families. It would be enough money for a low-income family of three to buy:

- o 15 months of groceries
- o 19 months of utilities
- o 8 months of rent
- o Over two years of health care
- o 20 months of child care
- o 30 months of college tuition at a public, 2 year college

This year, the Senate raised its pay by \$3,100 and is set to receive an additional \$3,300 raise in 2007. It is shameful that Members of Congress received our eighth pay increase in nine years, yet we have not provided a single pay increase to the lowest paid workers.

The salaries of lawmakers have gone up by \$31,600 since 1997, while minimum wage workers continue to earn just \$10,700 a year.

History clearly shows that raising the minimum wage has not had any negative impact on jobs, employment, or inflation. In the four years after the last minimum wage increase passed, the economy experienced its strongest growth in over three decades. Nearly 12 million new jobs were added, at a pace of 248,000 per month. In contrast, in the last four years, the minimum wage has held steady, but only 4.9 million jobs have been created.

States across this country have raised their own minimum wages without adverse economic consequences. Study after study has shown that raising the minimum wage has not cost jobs in the states. An Economic Policy Institute study of Washington, Oregon, and Alaska showed that increases in the state minimum wage had no impact on the state unemployment rate. Similarly, the Massachusetts Budget and Policy Center has found that after the last two minimum wage increases in Massachusetts in 2000 and 2001, employment grew more quickly in sectors with the most minimum wage workers, including leisure, hospitality, and the service sector.

A recent Gallup poll found that 86% of small business owners do not think that the minimum wage affects their business, and three out of four small businesses said that a 10% increase in the minimum wage would have no effect on their company. Additionally, nearly half of small business owners think that the minimum wage should be increased, and only 16% of owners think the minimum wage should be reduced or eliminated entirely.

Britain has the second largest economy in Europe (after Germany). They implemented a minimum wage in 1999 that has had no adverse employment effects, and has lifted 1.8 million British children out of poverty. They raised their minimum wage to about \$9.51 per hour last year, and they are planning to raise this rate to about \$9.89 in October of this year.

Ireland has an extremely robust economy, with impressive growth over the last decade, and the fourth largest GDP per capita in the world. The minimum wage rate in Ireland is 7.65 /hour (about \$9.65) and yet their unemployment rate is lower than the U.S.

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